



NATIONAL SCIENCE FOUNDATION

45 CFR Part 620

NSF Federal Cyber Scholarship-for-Service Program (CyberCorps® SFS)

RIN 3145-AA64

AGENCY: National Science Foundation.

ACTION: Notice of proposed rulemaking.

SUMMARY: The National Science Foundation (NSF), in consultation with the Secretary of Education, is proposing standards for how a CyberCorps® SFS scholarship would be repaid if a scholarship recipient fails to meet the program requirements, as well as the process to discharge the repayment obligation, in whole or in part, in certain circumstances.

DATES: Interested parties should submit written comments on or before **[INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]** to be considered in the formation of the final rule.

ADDRESSES: Submit comments in response to this proposed rule to the Federal eRulemaking portal at <https://www.regulations.gov>. Follow the instructions provided on the “Comment Now” screen. If your comment cannot be submitted using Regulations.gov, email the point of contact in the FOR FURTHER INFORMATION CONTACT section of this document for alternate instructions.

Comments submitted in response to this document will be made publicly available and are subject to disclosure under NSF’s Freedom of Information Act regulations at 45 CFR part 612. For this reason, please do not include in your comments information of a confidential nature, such as sensitive personal information or proprietary information, or any information that you would not want publicly disclosed. To confirm receipt of your

comment(s), please check <https://www.regulations.gov>, approximately two to three days after submission to verify posting.

FOR FURTHER INFORMATION CONTACT: William Grant, Assistant General Counsel, National Science Foundation, 2415 Eisenhower Avenue, Alexandria, VA 22314; telephone: 703-292-8060; email: wgrant@nsf.gov.

SUPPLEMENTARY INFORMATION:

Background and Authority for this Proposed Rule

The Cybersecurity Enhancement Act of 2014 (15 U.S.C. 7442), as amended by the National Defense Authorization Acts for 2018 and 2021, authorized NSF, in coordination with the U.S. Office of Personnel Management (OPM) and the U.S. Department of Homeland Security (DHS), to implement the CyberCorps® SFS scholarship program to recruit and train the next generation of information technology professionals, industrial control system security professionals, and security managers to meet the needs of the cybersecurity mission for Federal, state, local, and tribal governments.

Finding cybersecurity talent can be challenging for government organizations. This program helps hiring managers by providing scholarships to candidates from institutions with some of the top cybersecurity programs in the country. Special hiring authorities in 15 U.S.C. 7442(e) allow Federal organizations, without regard to any provision of chapter 33 of title 5 governing appointments in the competitive service, to noncompetitively appoint SFS graduates. In addition, upon fulfillment of their service term, they may be converted noncompetitively to a term, career-conditional, or career appointment. If converted to a term appointment, an agency may later noncompetitively convert such employee to a career-conditional or career appointment before the term appointment expires.

The CyberCorps® SFS program is led and managed by NSF in coordination with OPM and DHS. National Science Foundation oversees all aspects of the program, including:

- Program solicitations, merit review process, site visits, grant awards, assessing progress via annual and final reports, managing financial functions, representing the program in interactions with Federal agencies and other organizations within the academic/scientific communities;
- Outreach to current and prospective CyberCorps® SFS grantee institutions and principal investigators (PIs);
- Coordination with OPM via an annual reimbursable Inter-Agency Agreement (IAA) for student management;
- Coordination with DHS on connecting students with government agencies via CyberCorps® SFS Job Fairs;
- Implementing contracts for independent continuous program monitoring and program-level evaluation;
- Coordination with the U.S. Department of the Treasury (Treasury) and/or Department of Education on collections and repayments for the small number of students who do not fulfill their service obligations; and
- Processing requests for partial or complete releases from the service obligation under appropriate circumstances.

The OPM Program Management Office is supported by a reimbursable Interagency Agreement with NSF and manages the operational aspects of CyberCorps® SFS student scholarships including:

- Creating and distributing Student Service Agreements, policy, guidance and other program documents;

- Tracking CyberCorps® SFS students from entry into the program until eight years following the completion of their post-graduation service obligation;
- Facilitating the registration of new CyberCorps® SFS students and monitoring their academic status with participating institutions during the Scholarship Phase;
- Reviewing and approving student job offers and monitoring the service obligations reported by students;
- Coordinating collection of information for repayments and waiver requests to NSF; and
- Maintaining the CyberCorps® SFS program website (<https://sfs.opm.gov/>) that allows students to access CyberCorps® SFS program information and post their resumes online, so they become available to registered and approved organizations.

DHS serves as a strategic partner to promote cybersecurity education and workforce development; helps strengthen partnerships between CyberCorps® SFS institutions and Federal, state, local, and tribal governments; serves as a technical advisor; sponsors annual CyberCorps® SFS Job Fairs; and organizes and maintains the CyberCorps® SFS Hall of Fame website. In addition, DHS partners with the National Security Agency on the National Centers of Academic Excellence in Cybersecurity (NCAE) initiative to:

- Establish standards for cybersecurity curricula and academic excellence;
- Include competency development among students and faculty;
- Value community outreach and leadership in professional development;
- Integrate cybersecurity practice within the institution across academic disciplines; and
- Actively engage in solutions to challenges facing cybersecurity education.

Agencies may recruit SFS students for internships during their academic term and permanent placement after graduation. Agencies interested in recruiting from the pool of SFS Scholars can gain access to these candidates by registering as an agency official at the OPM SFS Portal to browse the SFS student pool. In addition, closed hiring events specifically for the SFS students are held twice a year to give agencies an opportunity to interview and even hire SFS students on the spot. The Winter and Summer CyberCorps® Job Fairs usually occur in January and September, respectively. The Winter CyberCorps® Job Fair, sponsored jointly by NSF and DHS, is typically held at a hotel in the Washington, DC metro over a three-day period. Students visit agency booths and interview rooms to speak with representatives about internship and hiring opportunities and to gain a better understanding of what it would be like to work at a particular agency and in government. The 2021 and 2022 Winter Job Fairs were held virtually due to COVID-19 restrictions. The Summer Virtual Job Fair allows SFS students to visit participating agencies' virtual booths to search for possible employers. Each agency booth includes a representative for students to connect with and talk online regarding potential employment during a one-day period. At each virtual booth, students can view current job postings and submit resumes to apply for jobs.

The first cohort of 31 students was enrolled in Fall 2001 and the first nine students graduated the following year. As of December 2021, 3,842 students have graduated from the program and a total of 4,773 students have been enrolled in the program since its inception. There are 91 institutions of higher education with active projects. In addition, there are 28 community colleges that participate as a partner with a CyberCorps® SFS university, and eight community colleges in the CyberCorps® SFS Community College Cyber Pilot (C3P) program. A list of participating institutions and additional information on this program can be found at <https://sfs.opm.gov>.

Changes Proposed by NSF with this Proposed Rule

This program provides funds to institutions of higher education that award scholarships to students who agree to work after graduation for a Federal, state, local, or tribal government organization in a position related to cybersecurity for a period equal to the duration of the scholarship, to be started within 18 months and to be completed within five years of entering the commitment phase of the program. Failure to satisfy the academic requirements of the program or to complete the service obligation would result in forfeiture of the scholarship award, which must either be repaid, or be treated as a Direct Unsubsidized Loan to be repaid, together with any accrued interest and fees. The statute further permits the Director to waive, in whole or in part, the service obligation or the obligation to repay the scholarship under certain conditions.

Currently, in the event that a scholarship recipient is required to repay the scholarship award, the academic institution providing the scholarship collects the repayment amounts within a period of time, or the repayment amounts are treated as Direct Unsubsidized Loan. Unfortunately, in many cases, the participating CyberCorps® SFS institution is neither able to collect a repayment nor convert it to a loan due to lack of cooperation from a scholarship recipient, closing an NSF award at an institution, or the amounts exceeding annual or aggregate loan limits under 34 CFR 685.203. It results with participants being required to submit a one-time payment to NSF or being sent to Treasury for collection action. See 31 U.S.C. 3711(g); 3716(c); 3720A(a).

After discussions with the Department of Education, NSF is proposing that the conversion of the scholarship to a Direct Unsubsidized Loan will be done by NSF in collaboration with the Department of Education rather than by an academic institution. Historically, the group of scholars who need the repayment processing has been small, but it requires unproportionally time-intensive efforts by OPM, NSF, Treasury, as well as

by the academic institutions. Each of the almost 100 participating academic institutions individually may have not more than one case every five years. This paucity of cases at the individual institution level nevertheless generates a large volume of questions in the aggregate to be handled by NSF and OPM. In addition, there may be significant process differences between different institutions, resulting in students being treated inconsistently across institutions, with some receiving relief while others are put into repayment. Finally, in many cases an institution concludes that it is not able to treat the scholarship as the Direct Unsubsidized Loan due to the lack of cooperation from a scholarship recipient or other factors such as an amount exceeding allowable limits, forcing the scholarship recipient to make a lump sum payment or be transferred for Treasury collection action. This proposed rule lays out a single, centralized process for NSF and the Department of Education to convert the repayments amounts to Direct Unsubsidized Loans for the benefit of individual scholars, SFS institutions, and Federal agencies. The Direct Unsubsidized Loans, sometimes called Unsubsidized Stafford Loans, are low-cost, fixed-rate Federal student loans available to both undergraduate and graduate students. The key benefits to the student include

- Fixed interest rate of 3.73% for undergraduate students for the 2021-2022 academic year (interest rates are fixed on July 1st of each year for new loans after that date)
- Fixed interest rate of 5.28% for graduate and professional students for the 2021-2022 academic year
- No payments while enrolled in school
- Eligibility not based on demonstrated financial need or credit
- Multiple repayment plans (including income-based) available

Also, once converted the interest rates on Direct Unsubsidized Loans are fixed and do not change over the life of the loan.

After consultation with the Department of Education, the proposed rule also specifies that scholarships converted to a Direct Unsubsidized Loan by the Secretary of Education are not counted against the scholarship recipient's annual or aggregate loan limits under 34 CFR 685.203, similar to the Teacher Education Assistance for College and Higher Education (TEACH) scholarship. After conversion, the Direct Unsubsidized Loan will be subject to the Department of Education's normal processes and procedures for those loans, including repayment, discharge, or waiver of the repayment obligation. Once a scholarship has been converted to a Direct Unsubsidized Loan, it may not be reconverted back to a CyberCorps® SFS scholarship, NSF will have no further authority to discharge or waive the repayment obligation, and borrowers will have to follow the Department of Education's normal student loan rules for that program. That is, the obligation will convert from one that is owed to NSF to one that is owed to Education.

Considering that the proposed rule provides a benefit to the scholarship recipients by ensuring a successful conversion to a Federal Unsubsidized Loan rather than requiring a one-time payment or a payment agreement with the Treasury, this option will be provided not only to new scholarship recipients but also to student who are already in the program via an optional amendment to their agreement to serve or repay.

In addition to the process of conversion of the scholarship to a Direct Unsubsidized Loan, NSF proposes standards to govern the process to discharge the repayment obligation where "compliance by the [scholarship recipient] with the obligation is impossible or would involve extreme hardship to the [scholarship recipient], or if enforcement of such obligation with respect to the [scholarship recipient] would be unconscionable." (15 U.S.C. 7442(l)). However, the statute does not explain or define what would be considered "impossible", "extreme hardship," or

an “unconscionable” enforcement of the service obligation that would justify a partial or complete waiver of the repayment obligation, therefore NSF must use its discretion and judgment to define these terms for waiver requests made prior to conversion to a Direct Unsubsidized Loan.

For the purposes of this proposed rule, NSF has determined the circumstances for discharge include death, total and permanent disability, or extreme hardship, as evidenced in a written request to be provided to and approved by the Director. This set of circumstances has been selected in consultation with other Federal agencies and modeled on the TEACH scholarship program as well as the definition of the total and permanent disability in § 620.5 of this proposed rule. Also, an interagency management board, consisting of representatives from NSF, OPM, and DHS, would discuss each request and make a recommendation to the Director. The management board meets 12 times a year and considers requests for deferral of obligation, discharge of agreement to serve, as well as cases that need to be recommended for a repayment or collection.

The proposed rule lays out definitions to describe elements of the SFS program and clarifies the requirement to document the scholarship recipient’s service obligation. It formalizes a process for deferral of the service obligation where a scholarship recipient is continuing with advanced study or professional development, for medical reasons, military service, or other exceptional circumstances. Because there is no current, standard process for deferral and up to now each individual institution has had to set up their own policies, the proposed rule establishes a consistent process across all participating institutions. This process is modeled on the Department of Education’s TEACH program and, based on historical data, would affect about 40 scholarship recipients a year. If a scholarship recipient does not qualify for a deferral or discharge, and does not meet their service obligation, under

the statute they may repay the scholarship, or it will be converted to a Direct Unsubsidized Loan. NSF and OPM will send information collected on the Agreement to Serve or Repay together with the loan amount to the Department of Education.

Regulatory Analysis

Expected Impact of the Proposed Rule

There are three main reasons that the proposed rule is needed. First, the Federal Unsubsidized Loan, resulting from the scholarship conversion is subject to repayment in accordance with terms and conditions specified by the Director of the National Science Foundation (in consultation with the Secretary of Education) in regulations promulgated to carry out the subsection (j) of 15 U.S.C. 7442. Second, the lack of flexibility in current practice creates inefficiencies for students and agencies in administering the program. In many cases, the participating CyberCorps® SFS institution is neither able to collect a repayment nor convert it to a loan due to lack of cooperation from a scholarship recipient, closing an NSF award at an institution, or the amounts exceeding annual or aggregate loan limits under 34 CFR 685.203. It results in participants being required to submit a one-time payment to NSF or being sent to Treasury for a payment agreement. There is inefficiency and significant administration cost for institutions and agencies due to the lack of an automatic and uniform way to handle repayment and loan conversion. Lastly, the lack of flexibility in current practice prevents students from receiving any benefits from a Direct Unsubsidized Loan if the conversion by an institution is impossible.

Three groups will be affected by the proposed rule: Students (SFS scholars), universities (SFS institutions), and Federal agencies. The Table 1, Table 2, and Table 3 summarize expected impacts on those three groups.

Table 1. Expected Impact of the Proposed Rule on Students

| | Number per year | Current practice | Expected Impact |
|--|-----------------|------------------|-----------------|
|--|-----------------|------------------|-----------------|

| | | | |
|--|-----|--|---|
| | | | of Proposed Rule |
| Students fulfilling obligation through service | 300 | Students report completion to OPM | None for future students; current participants will have the option to convert to loan |
| Students fulfilling through lump-sum payment | 5 | Repay to SFS institution or NSF | Participants could pay a lump sum or convert to loan |
| Students cooperating with the SFS institution and OPM, but not paying lump sum | 8 | Converted to a loan by Institution if possible, or transferred to Treasury for collection action | Transfer to the Department of Education for loan conversion (eligible for related benefits), without the need for the student's further cooperation or consent. |
| Students not cooperating and not paying lump sum | 5 | Transferred to Treasury for collection action | Same as above |

Table 2. Expected Impact of the Proposed Rule on Universities (SFS Institutions)

| | Number per year | Current practice | Expected Impact of Proposed Rule |
|--------------|-----------------|---|---|
| Universities | 15 | Currently SFS institutions must convert to a loan which may be impossible due to loan limits or lack of student cooperation | Automatic conversion to loan will mean less effort for students/less administration time for universities |

Table 3. Expected Impact of the Proposed Rule on Federal Agencies

| | Number of cases per year | Current practice | Expected Impact of Proposed Rule |
|-----|--------------------------|---|---|
| NSF | 18 | Work with institutions to find a way to create payments or loan conversion. If impossible, refer to Treasury for collection action. | Standardized transfer to the Department of Education for automatic loan conversion. |
| OPM | 18 | Work with | Provide the |

| | | | |
|-----------|----|---|--|
| | | institutions to find a way to create payments or loan conversion. If impossible, work with NSF to transfer to Treasury for collection action. | cases to NSF for conversion to the loan. |
| Treasury | 5 | Handle repayment or collection; appeals; requests for additional evidence etc. | No transfers to Treasury, unless the student defaults on their loan. |
| Education | 20 | Not involved | Loan conversion |

Costs

The vast majority of students who enroll in the CyberCorps® SFS program will complete their studies and will move into Federal, state, local, or tribal government service, where the vast majority will complete their service obligations. Table 4 below summarizes the number of students released from obligations (granted a waiver or have a request pending) as of November 1, 2021.

Table 4: The Number of SFS scholars Released from the Service Obligations from 2001-2021

| | Scholarships Awarded | Full Waiver: Academic Phase | Partial Waiver: Academic Phase | Full Waiver: Employment Phase | Partial Waiver: Employment Phase | Waiver Request Pending Decision | Total Waivers |
|------|-------------------------|-----------------------------------|--------------------------------------|-------------------------------------|--|--|------------------|
| 2001 | 31 | 0 | 0 | 6 | 0 | 0 | 6 |
| 2002 | 115 | 2 | 0 | 16 | 0 | 0 | 18 |
| 2003 | 219 | 1 | 0 | 16 | 0 | 0 | 17 |
| 2004 | 185 | 0 | 0 | 3 | 0 | 0 | 3 |
| 2005 | 182 | 4 | 0 | 2 | 0 | 0 | 6 |
| 2006 | 133 | 1 | 0 | 0 | 0 | 0 | 1 |
| 2007 | 111 | 1 | 0 | 0 | 0 | 0 | 1 |
| 2008 | 94 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2009 | 133 | 4 | 0 | 1 | 0 | 0 | 5 |

| | | | | | | | |
|----------|-----|---|---|---|---|---|---|
| 9 | | | | | | | |
| 201 0 | 181 | 2 | 0 | 1 | 0 | 0 | 3 |
| 201 1 | 195 | 2 | 0 | 1 | 0 | 1 | 4 |
| 201 2 | 186 | 2 | 0 | 0 | 0 | 0 | 2 |
| 201 3 | 268 | 1 | 0 | 1 | 0 | 0 | 2 |
| 201 4 | 277 | 0 | 0 | 2 | 0 | 1 | 3 |
| 201 5 | 277 | 0 | 0 | 0 | 0 | 0 | 0 |
| 201 6 | 313 | 0 | 0 | 0 | 0 | 3 | 3 |
| 201 7 | 357 | 0 | 0 | 0 | 2 | 0 | 2 |
| 201 8 | 339 | 0 | 0 | 0 | 1 | 1 | 2 |
| 201 9 | 384 | 1 | 0 | 0 | 0 | 1 | 2 |
| 202 0 | 375 | 0 | 0 | 0 | 0 | 0 | 0 |
| 202 1 | 354 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|-----------|------|----|---|----|---|---|----|
| Tota l | 4709 | 21 | 0 | 49 | 3 | 7 | 80 |
|-----------|------|----|---|----|---|---|----|

The costs resulting from the notice of proposed rulemaking (NPRM) includes one-time costs and recurring costs. The one-time costs consist of time needed to read and understand the proposed rule from universities and affected students and time for current students to learn about, decide, and complete paperwork to opt-into loan conversion when the option is available. The recurring costs consist of time to complete any additional paperwork to agree on loan conversion and new cost for the Department of Education to handle loan conversion.

SFS scholars (students), SFS institutions (universities), and three Federal agencies (NSF, OPM, and Treasury) will benefit from the NPRM. First, SFS institutions will save their time from responding to SFS scholars seeking information when they are not completing the service obligation. The estimated saving will be 20 hours per year. The total estimated saving will be \$24,000 if the estimated number of cases is 20 per year with \$60- per hour as a wage rate.¹ Second, SFS scholars who will not fulfill their obligation by service, will save their time from communicating with SFS institutions and OPM about options before being transferred to the Treasury. The estimated time saving is 30 hours per case per year. The SFS scholars who will not fulfill their obligations by service will be eligible for benefits available to Direct Unsubsidized Loan borrowers. The benefits include: 1) Entering a six-month grace period prior to entering repayment, and 2) Eligibility for all the benefits of the Direct Loan Program. These benefits are not currently available to individuals whose repayments are handled by. Treasury. Three Federal agencies will save time from handling repayment cases. The estimated time

¹ Computer Science Professor Salary (June 2022) - Zippia | Average Computer Science Professor Salaries Hourly And Annual

saving for NSF is 30 hours per case for about 20 cases per year for personnel whose wage rate is estimated at \$84.48² per hour, based on OPM 2022 salary and wages. The estimated saving for NSF is \$50,688. The estimated time savings for OPM is 15 hours per case for about 20 cases per year for personnel whose wage rate is estimated at \$56.30 per hour, based on OPM 2022 salary and wages.³ The Treasury will save time for handling at least five cases per year because they will not handle payment agreement or student information. There is no direct benefit for the Department of Education.

Alternatives of this NPRM could be continuing with the current practice of an ad-hoc payment plan that could happen at SFS institutions or being transferred to the US Treasury. This alternative would not provide the benefits to scholarship recipients, SFS institutions, and agencies that the proposed rule is intended to address. Another alternative is to extend the window for government service (e.g. allowing up to ten years) and track SFS scholars for an extended time period before the loan conversion. This alternative would likely result in a larger share of SFS scholars fulfilling their service obligations. However, this action would not eliminate the need to improve the efficiency of the process for SFS scholars who do not fulfill their service obligations, and it may also delay government service for some SFS scholars given the extended window to complete service obligations. As a result, we believe the chosen proposal best addresses the administrative difficulties resulting from a scholarship recipient failing to meet the program requirements.

Executive Order 12866, “Regulatory Planning and Review” and Executive Order 13563, “Improving Regulation and Regulatory Review”

² GS-15 Step 10: Pay & Leave : Salaries & Wages - OPM.gov

³ GS-13 Step 4: Pay & Leave : Salaries & Wages - OPM.gov

These Executive orders direct agencies to assess all costs, benefits and available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health, safety effects, distributive impacts, and equity). These Executive orders emphasize the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This proposed rule is a “significant regulatory action” under section 3(f) of Executive Order 12866, “Regulatory Planning and Review,” as supplemented by Executive Order 13563, “Improving Regulation and Regulatory Review.” Accordingly, the Office of Management and Budget has reviewed this proposed rule.

Executive Order 13132, Federalism

Executive Order 13132, Federalism, prohibits an agency from publishing any rule that has federalism implications if the rule imposes substantial direct compliance costs on state and local governments and is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. This proposed rule does not have any federalism implications, as described above.

Congressional Review Act

A major rule cannot take effect until 60 days after it is published in the *Federal Register*. This proposed rule is not anticipated to be a major rule under 5 U.S.C. 801.

Paperwork Reduction Act

This proposed rule implicates several information collection requirements under the Paperwork Reduction Act (44 U.S.C. 3501 et seq.). On behalf of NSF, OPM as the program management office currently maintains a collection under OMB Control Number 3206-0246, *Scholarship for Service Program Internet Site*. This collection covers the registration of students, agency officials, principal investigators, and program

administrators; provides the ability for students to create and maintain online resumes; provides Federal agency officials access to student resumes for placement opportunities; and provides placement status reports. No changes in burden or data elements or other aspects of this collection are expected to change based on this proposed rule.

In addition, this proposed rule contains a new information collection requirement. As discussed in this proposed rule, this information collection will provide contact information for the participants in the program and will allow NSF to work with the Department of Education to convert the scholarship to Direct Unsubsidized Loan.

Title of Collection: CyberCorps® SFS Scholarship Agreement to Serve or Repay.

OMB Control No.: 3145-XXXX

Type of Review: New

Respondents: Individual participants in the CyberCorps Scholarships for Service Program

Estimated Number of Annual Respondents: 20.

Estimated Total Annual Burden Hours: 30 minutes per respondent.

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the program, including whether the information will have practical utility; (b) The accuracy of the Agency's estimate of the burden of the collection of information, including the validity of the methods and the assumptions used; (c) Ways to enhance the quality, utility, and clarity of the information to be collected; and (d) Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Comments submitted in response to this notification will be summarized and/or included in the request for Office of Management and Budget (OMB) approval. All comments will become a matter of public record.

Regulatory Flexibility Act

As required by the Regulatory Flexibility Act of 1980 (5 U.S.C. 605 (b)), NSF certifies that this proposed rule, if adopted, will not have a significant economic impact on a substantial number of small entities.

Unfunded Mandates

For purposes of Title II of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1531-1538, as well as Executive Order 12875, this regulatory action does not contain any Federal mandate that may result in increased expenditures in either Federal, state, local, or tribal governments in the aggregate, or impose an annual burden exceeding \$100 million on the private sector.

List of Subjects in 45 CFR Part 620

Administrative practice and procedure, Colleges and universities, Grant programs, Reporting and recordkeeping, Scholarships and fellowships.

For reasons set forth in the preamble, NSF proposes to add part 620 to 45 CFR chapter VI to read as follows:

PART 620 – CyberCorps® Scholarship for Service (SFS) Program

Sec.

620.1 Scope and purpose.

620.2 Definitions.

620.3 Documenting the service obligation.

620.4 Deferral of obligation.

620.5 Discharge of agreement to serve or repay.

620.6 Obligation to repay the CyberCorps SFS scholarship.

620.7 Severability.

§ 620.1 Scope and purpose.

The CyberCorps SFS Scholarship for Service (SFS) program provides funds to institutions of higher education that award scholarships to students who agree to work after graduation for a Federal, state, local, or tribal government organization in a position related to cybersecurity for a period equal to the duration of the scholarship, to be started within 18 months and to be completed within five years of entering the Commitment Phase of the SFS program. Failure to satisfy the academic requirements of the program or to complete the service obligation results in forfeiture of the scholarship award, which must either be repaid or converted to a Direct Unsubsidized Loan. If converted, the loan, together with any accrued interest and fees, is subject to repayment to the Secretary of Education and may not be reconverted to a scholarship.

§ 620.2 Definitions.

Agreement to serve or repay means an agreement under which the individual receiving a CyberCorps SFS scholarship commits to meet the service or repay the loan as describe in § 620.6 and to comply with notification and other provisions of the agreement.

Commitment Phase means a period following the completion, or otherwise cessation of the Scholarship Phase, within which the SFS recipient must complete their obligation requirement. The Commitment Phase must begin within 18 months and must be completed within 5 years. The Commitment Phase is limited to a maximum of five years.

CyberCorps SFS scholarship recipient (scholarship recipient) means a student who is selected by an SFS institution for CyberCorps SFS scholarship and agrees to

work after graduation for a Federal, state, local, or tribal government organization in a position related to cybersecurity.

Deferral means an approved extension of the Commitment Phase.

Director means the Director of the National Science Foundation (NSF) or an official or employee of the National Science Foundation acting for the Director under a delegation of authority.

Monitoring Phase means a period following the completion of the Commitment Phase during which the scholarship recipient must maintain current contact information and complete periodic (usually annual) surveys as requested by the SFS Program office. The period of time is set by the NSF Director in consultation with OPM following the completion of the Commitment Phase.

Payment data means an electronic record that is provided to the Director of NSF by an institution showing student disbursement information.

Scholarship Phase means a period when scholarship recipients are enrolled in an approved SFS academic program in cybersecurity.

Service obligation means the time period the recipient is required to work as an employee of a Federal, state, local, or tribal government organization in a position related to cybersecurity. All time at the agency that the recipient is considered an employee of the agency counts toward the service obligation

SFS institution means a higher education institution that receives SFS grant from the National Science Foundation to recruit, train, and graduate scholarship recipients.

SFS program office means an office managing the SFS program through partnership between the National Science Foundation (NSF) and the Office of Personnel Management (OPM).

§ 620.3 Documenting the service obligation.

If a scholarship recipient is performing service in accordance with the agreement to serve or repay, the scholarship recipient must, within 30 days of the beginning of the service and upon completion of each year of service obligation, provide to the Director documentation of that service on a form approved by the SFS program office with all required information and certifications as defined on the form.

§ 620.4 Deferral of obligation.

(a) A scholarship recipient who has completed, or who has otherwise ceased enrollment in a CyberCorps SFS Scholarship Phase, may request, from the Director, a deferral of the five-year Commitment Phase for completion of the service obligation based on—

(1) Enrollment in a program of study or engagement in approved professional activity which would contribute to further professional development and/or cybersecurity workforce readiness for the scholarship recipient;

(2) A condition that is a qualifying reason for leave under the Family and Medical Leave Act (FMLA);

(3) A call to order to Federal or state active duty or active service as a member of a Reserve Component of the Armed Forces named in 10 U.S.C. 10101, or service as a member of the National Guard on full-time National Guard duty, as defined in 10 U.S.C. 101(d)(5); or

(4) Other exceptional circumstances significantly affecting the scholarship recipient's ability to serve as determined by the Director.

(b) A scholarship recipient must apply for a deferral prior to being subject to any of the conditions under § 620.6 that would cause the CyberCorps SFS scholarship to be converted to a Direct Unsubsidized Loan.

(c) A scholarship recipient who applies for deferral must provide the Director with documentation supporting the request as well as current contact information including home address, email address, and telephone number.

(d) The Director notifies the scholarship recipient on the outcome of the application for deferral.

§ 620.5 Discharge of agreement to serve or repay.

(a) *Discharge conditions.* The Director may provide for the partial or total waiver or suspension of any service or payment obligation by a scholarship recipient under the SFS program, including but not limited to the following circumstances:

(1) *Death.* If a scholarship recipient dies, the Director discharges the obligation to complete the agreement to serve or repay based on a certified copy of the death certificate or verification of the scholarship recipient's death through an authoritative Federal or state electronic database approved for use by the Director.

(2) *Total and permanent disability.* A scholarship recipient's agreement to serve or repay is discharged if the scholarship recipient becomes totally and permanently disabled. This is the condition of an individual who:

(i) Is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that—

(A) Can be expected to result in death;

(B) Has lasted for a continuous period of not less than 60 months; or

(C) Can be expected to last for a continuous period of not less than 60 months; or

(ii) Has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected disability.

(3) *Extreme hardship.* Whenever compliance by the scholarship recipient with the obligation is impossible or would involve extreme hardship to the scholarship recipient, or if enforcement of such obligation with respect to the scholarship recipient would be unconscionable. Extreme hardship could include but is not limited to financial/economic burden, medical situations, or other situations as determined by the Director of NSF.

(b) *Written request.* (1) A scholarship recipient must submit a written application for a discharge in accordance with this section prior to being subject to any of the conditions under § 620.6 that would cause the CyberCorps SFS scholarship to be converted to a Direct Unsubsidized Loan.

(2) A scholarship recipient who applies for discharge must provide the Director with documentation supporting the request as well as current contact information including home address, email address, and telephone number.

(3) The Director notifies the scholarship recipient on the outcome of the application for discharge.

§ 620.6 Obligation to repay the CyberCorps SFS scholarship.

(a) A scholarship recipient who fails to complete their obligation, as evidenced by documentation of that service with all required information and certifications, must repay to the United States the amount of the scholarship award received. Such repayment amounts must be repaid on terms as determined by the Director.

(b) If not repaid, the CyberCorps SFS scholarship amounts paid to the scholarship recipient, together with any accrued interest and fees, will be converted into a Direct Unsubsidized Loan and subject to repayment to the Secretary of Education, if the

scholarship recipient does not submit required documentation to prove the qualified employment within the timeframe required by the agreement to serve or repay.

(c) A CyberCorps SFS scholarship that is converted to a Direct Unsubsidized Loan is not counted against the scholarship recipient's annual or aggregate loan limits under 34 CFR 685.203.

(d) On or about 90 days before the date that a scholarship recipient's CyberCorps SFS scholarship would be converted to a Direct Unsubsidized Loan, the Director notifies the scholarship recipient of the date by which they must submit documentation showing that they are satisfying the obligation.

(e) At least annually during the service obligation period, the Director notifies the scholarship recipient of—

- (1) The terms and conditions that the scholarship recipient must meet to satisfy the service obligation;

- (2) The requirement for the scholarship recipient to provide to the Director, upon completion of each of the required service year, documentation of that service on a form approved by the Director and emphasizes the necessity to keep copies of this information and copies of the scholarship recipient's own employment documentation; and

- (3) The conditions under which the scholarship recipient may request a deferral of the period for completing the service obligation or the discharge of the service obligation.

(f) A scholarship recipient remains obligated to meet all requirements of the service obligation, even if the recipient does not receive the notices from the Director as described in paragraph (e) of this section.

(g) A scholarship recipient whose CyberCorps Scholarship has been converted to a Direct Unsubsidized Loan—

(1) Enters a six-month grace period prior to entering repayment, and

(2) Is eligible for all of the benefits of the Direct Loan Program.

(h) Once converted to a Direct Unsubsidized Loan under this part, the loan may not be converted back to a CyberCorps Scholarship.

§ 620.7 Severability.

If any provision of this part or its application to any person, act, or practice is held invalid, the remainder of the part or the application of its provisions to any person, act, or practice shall not be affected thereby.

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